

Message Text

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ACTION IO-10

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 OIC-02

STR-04 EB-07 AID-05 COME-00 LAB-04 TRSE-00 DIWY-01

CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 NSCE-00 SSO-00 USIE-00

INRE-00 OES-03 FEA-01 /115 W
----- 118953

O R 261940Z MAR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 4477

INFO AMEMBASSY TOKYO

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 1 OF 2 LIMA 2471

TOKYO FOR USDEL TO CNR; VIENNA FOR UNIDO
FROM USDEL UNIDO-II CONFERENCE

EO 11652: N/A

TAGS: UNIDO-II: SITUATION REPORT

REF: A. STATE 67628; B. LIMA 2398

1. PRESIDENTIAL GROUP MET MOST OF YESTERDAY AND INTO WEE HOURS
THIS MORNING TO REACH AGREEMENT ON UNRESOLVED PARAS OF DECLARA-
TION AND PLAN OF ACTION AT END OF EXERCISE 9 PARAS REMAINED
UNRESOLVED, COVERING HARD-CORE ISSUES INCLUDING INDEXATION , PRO-
DUCERS ASSOCIATIONS, SOVEREIGNTY OVER NATURAL RESOURCES, RESPECT
FOR INTERNATIONAL OBLIGATIONS, AND ECONOMIC AGGRESSION. GROUP
THEN TOOK UP INSTITUTIONAL ISSUES. FOLLOWING SEVERAL STATEMENTS
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BY GROUP B ON SPECIALIZED AGENCY STATUS FOR UNIDO AND NEED FOR

SAFEGUARDS AND FURTHER STUDIES, G-77 SPOKESMAN (WALKER OF JAMAICA) ASKED GROUP B WHAT WAS THE PRICE OF THEIR SUPPORT FOR CHANGING UNIDO INTO A SPECIALIZED AGENCY. BRAZIL ALSO SPOKE AND ASKED GROUP B TO "PLACE ITS CARDS ON THE TABLE." IN RESPONSE TO DIRECT REQUEST BY WALKER FOR US VIEWS, USDEL STATED THAT OUR CONCERNS WENT BEYOND UNIDO AND INVOLVED THE ANTAGONISTIC ATMOSPHERE THAT HAD BEEN DEVELOPING IN THE US SYSTEM OVER THE PAST SEVERAL YEARS WITH RESPECT TO DC-LDC RELATIONS. WE INDICATED THAT AS WE APPROACHED THE 7TH SPECIAL SESSION OF THE UNGA WE WERE CONCERNED WITH THE INCREASINGLY CONFRONTATIONAL NATURE OF LDC DECLARATIONS. WE CHARACTERIZED THE DECLARATION WE HAVE BEEN NEGOTIATING AS LARGELY NEGATIVE AND BACKWARD-LOOKING RATHER THAN EXHIBITING ANY REAL COOPERATION FOR INDUSTRIAL DEVELOPMENT. WE REGARDED APPROVAL OF SPECIALIZED AGENCY STATUS FOR UNIDO AS QUESTIONABLE IF THE CONFRONTATIONAL ASPECTS OF OUR DIALOGUE IN THE UN SYSTEM WERE TO CONTINUE TO ESCALATE. FROM OUR POINT OF VIEW APPROVAL IN PRINCIPLE OF SPECIALIZED AGENCY STATUS FOR UNIDO SHOULD BE ACCOMPANIED BY A POSITIVE FORWARD-LOOKING DECLARATION AND PLAN OF ACTION, CLEARED OF GRATUITIOUSLY RECRIMINATORY PASSAGES. WE RECOGNIZED THAT REAL ISSUES SEPARATED US SUCH AS INDEXATION, ETC., BUT THAT IF IT WAS NECESSARY TO INCLUDE THESE IN THE DECLARATION, THEY SHOULD BE SIMPLY RECOGNIZED AS PROBLEMS BETWEEN US ON WHICH SOLUTIONS SHOULD BE SOUGHT. IN THE MIDDLE OF THE US INTERVENTION THE SPOKESMAN FOR THE GROUP OF 77 STOOD UP AND WALKED OUT OF THE ROOM. FOLLOWING THE US INTERVENTION HE DELIVERED A SCATHING ATTACK UPON THE USDEL AND THE MENTALITY THAT WOULD ATTEMPT TO BARGAIN BRUTALLY TO HAVE PEOPLE ABANDON THEIR FUNDAMENTAL PRINCIPLES. THE STRAINED ATMOSPHERE WAS INCREASED BY MILITANT INTERVENTION OF THE LGERIAN CHAIRMAN OF THE DRAFTING COMMITTEE (KHERBI). CHINESE DELEGATION RUSHED IN TO GIVE ITS SUPPORT TO THE GROUP OF 77 AND SAID THAT THOSE WHO OPPOSE THE REVOLUTION MUST BE "SMASHED". THE EC SPOKESMAN (AMB. O'SULLIVAN OF IRELAND), THE GROUP B SPOKESMAN (SWISS), AND THE RAPPORTEUR (JACKSON OF THE UK) CAME IN TO SPREAD OIL ON THE TROUBLED WATERS AND INDICATED THAT THE CONFERENCE HAD BEEN CARRIED ON IN A CO-OPERATIVE ATMOSPHERE AND SHOULD CONTINUE TO TRY TO WORK IN THAT ATMOSPHERE. AMBASSADOR BRILLANTES OF THE PHILIPPINES PROPOSED THAT A SMALL PRESIDENT'S GROUP SHOULD TRY TO AGREE UPON A PACKAGE SOLUTION THAT COULD BE PUT FORWARD BY THE PRESIDENT OF THE CONFERENCE. SUCH A GROUP WAS FINALLY FORMED WITH LIMITED OFFICIAL USE

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TWO MEMBERS FROM EACH REGIONAL GROUP. GROUP B WAS REPRESENTED BY THE GROUP B SPOKESMAN (AMB. PROBST OF SWITZERLAND) AND THE EC REP. THE GROUPS CAUCUSED AND GROUP B DREW UP A LIST OF THE MOST OBJECTIONABLE PRAGRAPHS THE INCLUSION OF WHICH IN THE DECLARATION WOULD PREVENT AGREEMENT. THIS SMALL GROUP MET AND EMERGED AT 4 A.M. WITH A PROPOSAL THAT THE LARGER PRESIDENT'S GROUP SHOULD CONTINUE INSTITUTIONAL ARRANGEMENTS WHILE THE SMALL GROUP WOULD ATTEMPT TO NEGOTIATE LANGUAGE ON THE HARD-CORE ISSUES.

2. WORK HAS BEGUN THIS MORNING BUT GROUP B MEMBERS ARE NOT OPTIMISTIC THAT A DECLARATION AND PROGRAM OF ACTION CAN BE WORKED OUT WHICH COULD BE AGREED TO BY CONSENSUS. REPORTEDLY THE GROUP OF 77 AGREED THIS MORNING THAT THE HARD-CORE ISSUES SHOULD BE INCLUDED IN THE DECLARATION, BUT THAT THE DEVELOPED COUNTRIES WOULD NOT BE OPPOSED IN REGISTERING THEIR RESERVATIONS. THIS PROCEDURE WOULD CLEARLY NOT BE SATISFACTORY TO THE US AND OTHER MAJOR GROUP B DELEGATIONS SUCH AS THE FRG, UK AND JAPAN, AND A NUMBER OF LDC DELEGATIONS ARE AWARE OF THAT FACT. CORRIDOR CONVERSATION HAS IT THAT ANOTHER SOLUTION WOULD BE TO PLACE ALL OF THE MOST OBJECTIONABLE PARAGRAPHS UNDER A CHAPEAU INDICATING THAT THEY WERE THE VIEWS OF DEVELOPING COUNTRIES WHICH THEY CONSIDER TO BE FUNDAMENTAL PRINCIPLES FOR THEIR DEVELOPMENT. GROUP B WOULD BE INVITED TO APPROVE THIS RESOLUTION BY CONSENSUS WITH RESERVATIONS AS NECESSARY. SUCH A DOCUMENT WOULD CONTAIN SOME DEGREE OF COMMITMENT TO SPECIALIZED AGENCY STATUS FOR UNIDO AS GROUP B'S CONTRIBUTION TO THE CONSENSUS.

3. ACTION REQUESTED: USDEL REQUIRES URGENT GUIDANCE WHETHER IF A DECLARATION WERE PRESENTED IN WHICH OBJECTIONABLE HARD-CORE ISSUES WERE INCLUDED UNDER A CHAPEAU INDICATING THEM AS LDC POINTS OF VIEW, THE US COULD ACCEPT IT BY CONSENSUS WITH APPROPRIATE STATEMENTS OF RESERVATION ON PARAGRAPHS TO WHICH DEPARTMENT HAS OBJECTIONS. WOULD ALSO APPRECIATE RESPONSE TO PARA 8 OF REFTEL B RE QUESTION OF RETURNING TO ORIGINAL PORTION OF OPPOSING SPECIALIZED AGENCY STATUS IN EVENT WE ABSTAIN OR VOTE AGAINST DECLARATION AND PLAN OF ACTION.

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ACTION IO-10

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 OIC-02

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INRE-00 OES-03 FEA-01 /115 W
----- 119095

O R 261940Z MAR 75
FM AMEMBASSY LIMA
TO SECSTATE WASHDC IMMEDIATE 4478
INFO AMEMBASSY TOKYO
AMEMBASSY VIENNA
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USMISSION GENEVA
USMISSION USUN NEW YORK

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TOKYO FOR USDEL TO CNR; VIENNA FOR UNIDO
FROM USDEL UNIDO-II CONFERENCE

4. FOLLOWING ARE TEXTS OF 3 ADDITIONAL PARAS ACCEPTED IN
PRESIDENT'S SMALL GROUP.

URGENT CONSULTATIONS, TAKING INTO ACCOUNT APPROPRIATE
INFORMATION WITH RESPECT TO THE DEVELOPMENT OF DEMAND AND
SUPPLY, AVAILABILITY OF PRODUCTION FACTORS AND THEIR COSTS, THE
POSSIBILITIES AND CONDITIONS OF INVESTMENT AND THE AVAILABILITY
OF APPROPRIATE EQUIPMENT AND TECHNOLOGIES, WITH A VIEW TO
FACILITATING, AND WITHIN A DYNAMIC CONTEXT AND IN ACCORD WITH
AUTHORITIES AVAILABLE TO GOVERNMENTS, THE REDEPLOYMENT
OF CERTAIN PRODUCTIVE CAPACITIES EXISTING IN DEVELOPED COUNTRIES
AND THE CREATION OF NEW INDUSTRIAL FACILITIES IN DEVELOPING
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COUNTRIES. THESE CONSULTATIONS SHOULD IN PARTICULAR RELATE
TO INDUSTRIES PROCESSING RAW MATERIALS EXPORTED BY DEVELOPING
COUNTRIES OR WHICH CONSUME VAST QUANTITIES OF ENERGY AND SHOULD
RESULT IN CONCRETE PROPOSALS FOR INCLUSION IN THE DEVELOPMENT
PROGRAMS OF PARTICIPATING DEVELOPING COUNTRIES.
PARAGRAPH 62 (E)

IMPLEMENTATION OF THE CHAPTER CONCERNING INDUSTRY AND
EARLY CONSIDERATION OF THE IMPLEMENTATION OF THE OTHER
PERTINENT PROVISIONS CONCERNING INDUSTRY CONTAINED IN THE
PROGRAMME OF ACTION FOR THE ESTABLISHMENT OF A NEW
INTERNATIONAL ECONOMIC ORDER (GENERAL ASSEMBLY RESOLUTION
3202(S-VI) AND IN THE INTERNATIONAL DEVELOPMENT STRATEGY
FOR THE UNITED NATIONS SECOND DEVELOPMENT DECADE, IN
RELATIONS TO THE ACTUAL TRANSFER OF RESOURCES, THE DEVELOPED
COUNTRIES SHOULD, IN PARTICULAR, INCREASE THEIR CO-OPERATION
IN ORDER TO MAKE AVAILABLE TO DEVELOPING COUNTRIES THE
RESOURCES REQUIRED TO SUSTAIN THE GROWTH EFFORT ESSENTIAL FOR
ACCELERATING THEIR SOCIAL AND ECONOMIC DEVELOPMENT: THE
PREVIOUSLY ESTABLISHED OBJECTIVE OF ONE PERCENT OF THE GNP

OF THE DEVELOPED COUNTRIES, OF WHICH 0.7 PERCENT SHOULD TAKE
THE FORM OF OFFICIAL ASSISTANCE, SHOULD BE FULFILLED IN THE
SHORTEST POSSIBLE TIME.

PARAGRAPH 62 (K)

IN THE CONTEXT OF INTERNATIONAL MONETARY REFORM, IN WHICH THE
LINK BETWEEN FINANCIAL RESOURCES FOR DEVELOPMENT PURPOSES
AND THE ALLOCATION OF SPECIAL DRAWING RIGHTS IS BEING STUDIED, URGENT
CONSIDERATION SHOULD BE GIVEN TO THE ADOPTION OF MEASURES
WHICH TAKE ACCOUNT OF THE PARTICULAR NEEDS OF DEVELOPING
COUNTRIES. IN ALL PHASE OF DECISION-MAKING FOR THE FORMULATION
OF A REFORMED MONETARY SYSTEM, FULL AND EFFECTIVE PARTICIPATION
OF THE DEVELOPING COUNTRIES IN ALL BODIES ENTRUSTED WITH THIS
REFORM, PARTICULARLY IN THE BOARD OF GOVERNORS OF THE INTERNATIONAL
MONETARY FUND, IN ACCORDANCE WITH THE EXISTING AND EVOLVING
RULES OF SUCH BODIES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, MEETING REPORTS, DECLARATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LIMA02471
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750106-0188
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750314/aaaaamlr.tel
Line Count: 241
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 67628, 75 LIMA 2398
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2003 by KelleyW0>; APPROVED <20 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EGEN, UNIDO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006